



What is happening to the soul of Europe?

Published on 28. July 2015 by [Armanda Cetrulo](#)

The International Labour Organisation (ILO) has recently published an interesting book *Is Europe Losing Its Soul? The European Social Model in Times of Crisis* in which the collapse of the European Social Model is investigated. Europe is clearly undergoing a period of great difficulties and controversies and the Greek case has highlighted all the contradictions that characterise the Union. Germany's and the creditors' (ECB and IMF) refusal to alleviate the austerity package imposed on Greece and to accept even a small cut of the debt (which has been declared unsustainable by the same IFM) has shown Europe at its worst; its anti democratic nature, the absence of a sense of solidarity and, according to some notable economists an extremely dangerous (and foolish) economic approach to the crisis.

Thus, the study presented in this book is extremely useful because it enlarges the horizon to other countries, showing that Greece is not alone in suffering (even if it is suffering most), but that social conditions have been worsening in the whole of Europe to the point that the illusion of the European social model has gone up in smoke. In the introduction, Daniel Vaughan-Whitehead identifies the six pillars of the EU social model:

- 1) Increased minimum rights on working conditions
- 2) Universal and sustainable social protection systems
- 3) Inclusive labour markets
- 4) A strong and well-functioning social dialogue
- 5) Public services and services of general interest
- 6) Social inclusion and social cohesion

and he concludes that, even taking into account national differences, these pillars have deteriorated all throughout Europe.

Indeed, given the high level of unemployment, workers' rights have been dramatically dismantled, as demonstrated by restrictions on strikes in Hungary and Greece, by the introduction of 'zero hour contracts in the UK and by the vast number of unpaid internships for young people. Wages have been falling during the crisis, becoming the means through which countries have attempted to increase their competitiveness (internal devaluation) further depressing the internal demand; minimum wage growth has been stopped in Portugal, Spain and the UK or cut (by 22% in Greece). The only country which acted differently was Germany, with the introduction of a minimum wage in January 2015. Moreover, given the huge cuts made by firms, safety and health conditions have worsened and problems of stress and depression have increased. The level of flexibility (both in terms of legislation and in terms of concrete adoption

by firms) is another indicator which has increased in importance in this period as is shown for example by the never ending rise in involuntary part time contracts. Young people still suffer most since the crisis makes it difficult to enter into the labour market and budget cuts reduce active policies significantly. On the other hand, employees have seen the number of years of contribution increased (mostly because of pension funding problems) reducing their retirement possibilities and slowing the turnover down even more. In general, the social protection system has been smashed by the crisis: paradoxically, in the moment of the greatest need for public protection, it was among first items to be cut, as this figure taken from the introduction of the book of ILO (2015) shows.

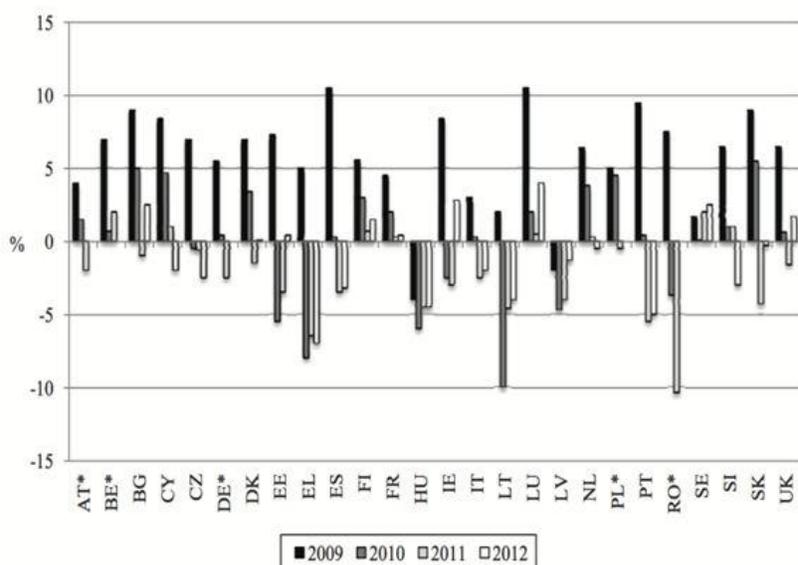


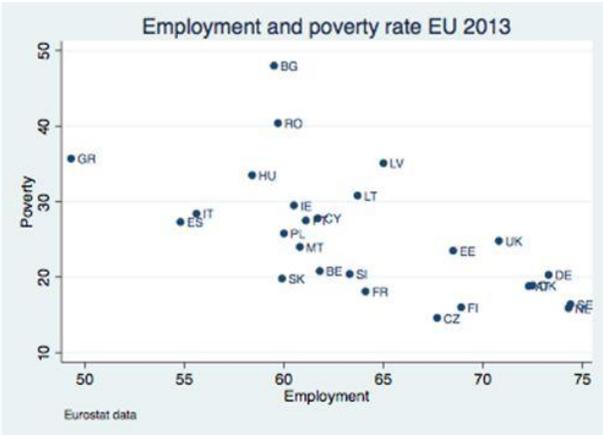
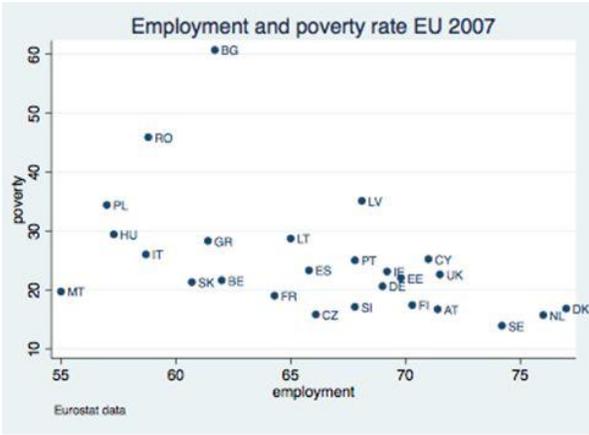
Figure 1.3 Annual percentage growth in real public social expenditure, EU countries, 2009–2012

Note: * Data for 2012 not available for Austria, Belgium, Germany, Poland and Romania.

Source: Adapted from Bontout, O. and Lokajickova, Z. (2013), ‘Social protection budgets in the crisis in the EU’, Working Paper 1/2013, p. 18, European Commission, Publications Office of the European Union, Luxembourg.

For what concerns the ‘European social dialogue’, seen by other countries as a unique example of democracy and cooperation, it has been completely undermined, and it is now regarded more as a constraint than a resource. This dramatic change of approach is proven, for example, by the reduction of collective bargaining and by the limitation of its scope. In particular the public sector has been under attack in this sense, with the freezing of long term recruitments, the introduction of a huge number of temporary contracts and processes of outsourcing and privatisation. This development has not only worsened the working and living conditions of people employed in the public sector, it has also reduced the supply of public services deteriorating the quality of life and hampering the wellbeing of citizens. Against this background the pillar of ‘social cohesion’ in Europe becomes an empty shell. As a result, nationalist movements are gaining more and more space, while economic differences among EU Member

States increase, even if most of them share a black outlook. In the following graph (personal elaboration of Eurostat data), the y axis shows the percentage of people at risk of poverty or social exclusion (that corresponds to the sum of persons who are at risk of poverty or severely materially deprived or living in households with very low work intensity, from Eurostat definition) whereas the x axis shows the employment rate respectively in 2007 and 2013. As expected, southern countries record a lower rate of employment and a higher rate of poverty and social exclusion (Greece, Spain, Italy, Portugal, Ireland, Cyprus) from 2007 to 2013, but also in countries where the employment rate has not fallen so significantly, the poverty rate did not fall or even, it increased as well (respectively Germany and UK, Denmark and Sweden). After five years of crisis, Europe is poorer, less united, depressed, more authoritarian and more unequal. Thus, is it really a Greek problem, or isn't it rather the failure of the European integration and the European social model what we are experiencing today?



Note: Compiled by the author with Eurostat data.